



PRESS RELEASE: For immediate dissemination

KELT EXPLORATION LTD. COMMENCES OPERATIONS

CALGARY, Alberta, February 26, 2013 – Kelt Exploration Ltd. (“**Kelt**”) commenced operations today as a new junior oil and gas exploration and development company. Kelt was formed as a result of a plan of arrangement (the “**Arrangement**”) involving Celtic Exploration Ltd. (“**Celtic**”), ExxonMobil Celtic ULC (the “**Purchaser**”), a wholly owned subsidiary of ExxonMobil Canada Ltd., and Kelt. Pursuant to the Arrangement, the Purchaser acquired all of Celtic’s outstanding common shares (the “**Celtic Shares**”) and all of the outstanding 5.00% convertible unsecured subordinated debentures of Celtic due April 30, 2017. The former shareholders of Celtic received, for each Celtic Share held, cash consideration of \$24.50 per share and one-half (1/2) of a common share of Kelt (the “**Kelt Shares**”).

The Kelt Shares have been conditionally approved for listing by the Toronto Stock Exchange. Provided that all of the listing conditions are met, trading in respect of the Kelt Shares is expected to commence under the symbol “KEL” upon the listing of the Kelt Shares on the Toronto Stock Exchange, in early March 2013.

Management and Directors

The management team of Kelt will be led by certain members of the previous management team of Celtic, including David J. Wilson as President and Chief Executive Officer and Sadiq H. Lalani as Vice President, Finance and Chief Financial Officer. They are joined by Douglas J. Errico as Vice President, Land, Alan G. Franks as Vice President, Production, Patrick Miles as Vice President, Exploration and Douglas O. MacArthur as Vice President, Operations. Mr. William C. Guinan will act as Corporate Secretary of Kelt.

The board of directors of Kelt consists of Messrs. Robert J. Dales, William C. Guinan, Eldon A. McIntyre, Neil G. Sinclair and David J. Wilson.

Private Placement

Concurrently with the closing of the Arrangement, Kelt also completed the private placement of 6.0 million Kelt Shares at a price of \$2.32 per share for aggregate gross proceeds of approximately \$13.9 million (the “**Private Placement**”). The Kelt Shares issued in connection

with the Private Placement are subject to a statutory hold period of four months plus one day from the date of completion of the Private Placement, in accordance with applicable securities legislation.

Kelt intends to use the proceeds from the Private Placement to provide additional capital for use by Kelt in its exploration and development activities and for general corporate and working capital purposes.

2013 Guidance

Kelt expects to provide 2013 guidance with respect to forecasted production and financial results via news release on or before March 14, 2013.

About Kelt

Kelt is a Calgary, Alberta, Canada-based oil and gas company focused on exploration, development and production of crude oil and natural gas resources, primarily in west central Alberta and northeastern British Columbia. Kelt's land holdings are located in three core areas: (a) a natural gas property at Grand Cache, Alberta; (b) a liquids-rich natural gas property at Inga, British Columbia; and (c) an oil prospect at Karr, Alberta.

Cautionary Statement on Forward-Looking Statements and Information

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. In particular, forward-looking statements and information in this press release include, but are not limited to: the ongoing operations of Kelt, statements concerning the listing of the Kelt Shares and the use of proceeds from the Private Placement.

The forward-looking statements and information contained in this press release are based on certain key expectations and assumptions made by Kelt. Although Kelt believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because there can be no assurance that they will prove to be correct.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: the failure to obtain Toronto Stock Exchange final approval, operational risks in development, exploration and production for oil and gas; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve and resource estimates; health, safety and environmental risks; commodity price and exchange rate fluctuations; marketing and transportation; loss of markets; environmental risks;

competition, incorrect assessment of the value of acquisitions; ability to access sufficient capital from internal and external sources; and changes in legislation, including but not limited to tax laws, royalties and environmental regulations. Readers are cautioned that the foregoing list of factors is not exhaustive.

Management has included the above summary of assumptions and risks related to the forward-looking statements and information provided in this press release in order to provide Kelt shareholders with a more complete perspective on the ongoing operations of Kelt and such information may not be appropriate for other purposes. Actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements and information contained in this press release will transpire or occur, or if any of them do so, what benefits may be derived therefrom.

The forward-looking statements and information contained in this press release are made as of the date hereof and Kelt undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events, or results or otherwise, other than as required by applicable securities laws.

Further Information

For further information, please contact:

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